

# HOUSE BILL No. 1218

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 26-4-4.

**Synopsis:** Grain indemnity fund. Increases by \$5,000,000 the amount of money that must be in the grain indemnity fund: (1) before expenses of administering the fund may be taken from the fund; (2) before funds cease to be collected and then collection is reinstated; and (3) before the board may not require the collection of a producer premium.

**Effective:** July 1, 2009.

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**Pearson**

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January 12, 2009, read first time and referred to Committee on Agriculture and Rural Development.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1218

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 26-4-4-2 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The fund consists of money  
3 paid into the fund from the producers of grain under section 4 of this  
4 chapter.  
5 (b) The expenses of administering the fund must be paid from  
6 money in the fund. After the fund reaches an amount in excess of ~~five~~  
7 ~~million dollars (\$5,000,000)~~, **ten million dollars (\$10,000,000)**, the  
8 board may annually take not more than two hundred fifty thousand  
9 dollars (\$250,000) and allocate it to a separate administrative expenses  
10 account to pay administrative expenses. Administrative expenses under  
11 this section may include:  
12 (1) processing refunds;  
13 (2) enforcement of the fund;  
14 (3) record keeping in relation to the fund; and  
15 (4) the ordinary management and investment fees connected with  
16 the operation of the fund.  
17 (c) Board approved legal fees and legal expenses in actions brought



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1 against the corporation, board, or fund must be paid from money in the  
 2 fund. These fees and expenses are not administrative costs and may not  
 3 be paid from the administrative expense account.

4 SECTION 2. IC 26-4-4-8 IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The producer premiums  
 6 required under section 4 of this chapter must be collected until the fund  
 7 contains more than ~~ten million dollars (\$10,000,000)~~ **fifteen million**  
 8 **dollars (\$15,000,000)** as of June 30 of any given year.

9 (b) Except as provided in subsection (c), after the fund reaches ~~ten~~  
 10 ~~million dollars (\$10,000,000)~~, **fifteen million dollars (\$15,000,000)**,  
 11 the board may not require the collection of additional producer  
 12 premiums until the amount in the fund drops below ~~five million dollars~~  
 13 ~~(\$5,000,000)~~ **ten million dollars (\$10,000,000)**, as determined under  
 14 section 9 of this chapter. In a year when the board determines that the  
 15 fund is at or below ~~five million dollars (\$5,000,000)~~, **ten million**  
 16 **dollars (\$10,000,000)**, the board shall reinstate the collection described  
 17 in this chapter.

18 (c) The board shall reinstate the collection described in this chapter  
 19 if as of May 1:

- 20 (1) the fund contains at least ~~five million dollars (\$5,000,000)~~;
- 21 **ten million dollars (\$10,000,000)**;
- 22 (2) the board is aware of a failure of a grain buyer; and
- 23 (3) the amount of compensation from the fund to cover producers'
- 24 claims, as determined by the board, is equal to or greater than the
- 25 amount of money in the fund.

26 SECTION 3. IC 26-4-4-9 IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) At the May meeting required  
 28 under IC 26-4-3-5, the board shall certify the amount of money in the  
 29 fund on May 1.

30 (b) Except as provided in section 8(c) of this chapter, the board may  
 31 not require the collection of a producer premium during a fiscal year  
 32 when the board certifies under subsection (a) that the fund has money  
 33 in excess of ~~five million dollars (\$5,000,000)~~. **ten million dollars**  
 34 **(\$10,000,000)**. If the fund is at or below ~~five million dollars~~  
 35 ~~(\$5,000,000)~~ **ten million dollars (\$10,000,000)**, the board shall  
 36 reinstate the collection.

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